

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF SALT RIVER)	
RURAL ELECTRIC COOPERATIVE CORPORATION))	
FOR AN ORDER AUTHORIZING A PASS-)	CASE NO. 8415-0
THROUGH OF EAST KENTUCKY POWER WHOLE-)	
SALE POWER RATE INCREASE IN)	
CASE NO. 8400)	

O R D E R

Salt River Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8400. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8400, East Kentucky requested an increase in revenue of approximately \$24,110,886. Of this total increase, Applicant would experience an increase in power costs of approximately \$ 2,360,763, which represents 9.79 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 18.2 percent.

On December 18, 1981, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's filing requirements and to flow through the increase by use of a purchased power adjustment clause promulgated by the Commission. In its order of February 3, 1982, the Commission authorized Applicant to deviate from the

filing requirements and to file certain information deemed essential to the Commission's consideration of the request to flow through any wholesale power increase received from East Kentucky.

Hearings were held on April 27 and 28, 1982, at the Commission's offices in Frankfort, Kentucky. The Consumer Protection Division of the Attorney General's Office, Charles F. Cook of Clark County, Kentucky, and Sarah A. Bowers, Mt. Hermon, Kentucky, were the intervenors of record.

It is the opinion of the Commission that the most equitable method to use in processing the increased power cost for rate-making purposes in this case is the energy adder per metered KWH sales. All of the Applicants except Clark Rural Electric Cooperative and Grayson Rural Electric Cooperative used this method. These two applications have been adjusted to this method.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8400 is \$14,951,106 which will result in an increase in power costs to Applicant of \$1,466,308.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8400.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final order in Case No. 8400.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

(5) The most equitable method to use in processing the increased power costs for rate-making purposes is the energy adder charge, which should be used to determine the final rates in this case.


IT IS THEREFORE ORDERED that Salt River Rural Electric Cooperative Corporation is hereby authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8400.

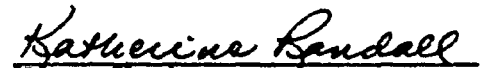
IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Salt River Rural Electric Cooperative Corporation shall, within 20 days from the date of this order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 3rd day of June, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8415-0 DATED JUNE 3, 1982

The following rates and charges are prescribed for the customers in the area served by Salt River Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A-5 FARM AND HOME SERVICE*

Type of Service:

Single phase, 60 cycles, at available secondary voltage.

Rates:

First	40 KWH Per Month (minimum bill)	\$5.86	Per Month
Next	60 KWH Per Month	.06602	Per KWH
Next	100 KWH Per Month	.05322	Per KWH
Next	800 KWH Per Month	.05042	Per KWH
Next	1,000 KWH Per Month	.04742	Per KWH
Over	2,000 KWH Per Month	.04342	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$5.86 where 25 KVA or less transformer capacity is required. For members requiring more than 25 KVA transformer capacity, the minimum monthly charge shall be increased at the rate of .75 of each additional KVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.13 Per Month
Next	60 KWH Per Month	.10212 Per KWH
Next	200 KWH Per Month	.07882 Per KWH
Next	700 KWH Per Month	.06162 Per KWH
Over	1,000 KWH Per Month	.05362 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.13 where 37.5 KVA or less of transformer capacity is required. For consumers requiring more than 37.5 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of .75 for additional KVA or fraction thereof required. When the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate.

SCHEDULE LLP-1
LARGE POWER SERVICE (Over 37.5 - Under 500 KW)*

Rates:

- \$ 4.17 per month per KW of Billing Demand plus Energy Charges of:
- \$.05172 per KWH for the first 50 KWH used per month per KW of billing demand.
- \$.04372 per KWH for the next 50 KWH used per month per KW of billing demand.
- \$.04152 per KWH for all remaining KWH used per month.

SCHEDULE LLP-2
LARGE POWER 500 KW UNDER 3,000 KW*
(Secondary Voltage)

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.05372 Per KWH
Next	20,000 KWH Per Month	.04092 Per KWH
Over	40,000 KWH Per Month	.03662 Per KWH

SCHEDULE OL
OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

Mercury	100	to	200 Watts	\$5.14	Per Month
Mercury	200	to	450 Watts	7.98	Per Month
Mercury	450	to	1200 Watts	12.46	Per Month

SCHEDULE OL-1
STREET LIGHTING SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.52	Per Month
Next	60 KWH Per Month	.08402	Per KWH
Next	100 KWH Per Month	.06262	Per KWH
Next	300 KWH Per Month	.04832	Per KWH
Over	500 KWH Per Month	.03672	Per KWH

SCHEDULE LLP-3
LARGE POWER 500 KW - 3,000 KW*
(Primary Voltage)

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.05834	Per KWH
Next	20,000 KWH Per Month	.04464	Per KWH
Over	40,000 KWH Per Month	.04034	Per KWH

SCHEDULE LPR-1
LARGE POWER 3,000 KW AND OVER*

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	100,000 KWH Per Month	\$.05179	Per KWH
Next	900,000 KWH Per Month	.03679	Per KWH
Over	1,000,000 KWH Per Month	.03199	Per KWH

*Fuel Adjustment Clause

The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.